

**Agency Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	135.99	0.00	2.00	137.99	0.00	2.00	137.99	137.99
Personal Services	5,555,013	751,390	482,615	6,789,018	778,071	768,199	7,101,283	13,890,301
Operating Expenses	2,437,756	443,920	389,828	3,271,504	415,671	217,962	3,071,389	6,342,893
Equipment	107,513	191,712	10,000	309,225	120,712	0	228,225	537,450
Benefits & Claims	0	0	30,000	30,000	0	0	0	30,000
Transfers	0	0	163,800	163,800	0	163,800	163,800	327,600
<b>Total Costs</b>	<b>\$8,100,282</b>	<b>\$1,387,022</b>	<b>\$1,076,243</b>	<b>\$10,563,547</b>	<b>\$1,314,454</b>	<b>\$1,149,961</b>	<b>\$10,564,697</b>	<b>\$21,128,244</b>
General Fund	572,665	82,313	621,432	1,276,410	84,289	623,236	1,280,190	2,556,600
State/Other Special	6,068,235	1,225,877	393,648	7,687,760	1,149,445	432,206	7,649,886	15,337,646
Federal Special	1,459,382	78,832	61,163	1,599,377	80,720	94,519	1,634,621	3,233,998
<b>Total Funds</b>	<b>\$8,100,282</b>	<b>\$1,387,022</b>	<b>\$1,076,243</b>	<b>\$10,563,547</b>	<b>\$1,314,454</b>	<b>\$1,149,961</b>	<b>\$10,564,697</b>	<b>\$21,128,244</b>

**Agency Description**

The Department of Livestock is responsible for controlling and eradicating animal diseases, preventing the transmission of animal diseases to humans, protecting the livestock industry from theft and predatory animals, meat, milk and egg inspection, and regulating the milk industry relative to producer pricing. The department, which is provided for in 2-15-3101, MCA, consists of the Board of Livestock and its appointed executive officer; the Livestock Crimestoppers' Commission; the Milk Control Board; and the Board of Horse Racing. The department is organized into five divisions: Animal Health, Centralized Services, Brand-Enforcement, Diagnostic Laboratory, and Meat, Milk, and Egg Inspection. The Board of Livestock, which is the statutory head of the Department of Livestock, consists of seven members appointed by the Governor and confirmed by the Senate to serve six-year terms.

**Agency Highlights**

Department of Livestock Major Budget Highlights	
◆	The department's total budget increases \$4.4 million, about 26.4 percent, in the 2009 biennium from the 2007 biennium
◆	Base general fund for the diagnostic laboratory is increased from \$93,600 in the base budget year to approximately \$440,000 each year of the 2009 biennium
◆	A one-time-only general fund appropriation of \$350,000 for the Board of Horse Racing is included
◆	Approximately \$830,000 state special revenue authority was added to the Board of Horse Racing budget to implement the gambling bills passed by the legislature
◆	The legislature included \$102,467 additional funds for personal services increases that exceed the executive budget, funded primarily from state special revenue
◆	Approximately \$155,000 additional state special revenue is included to increase funds available for predator control
◆	The Board of Milk Control has an additional \$50,000 state special revenue budgeted for legal fees
◆	An additional \$267,424 state special revenue was allocated to the Animal

- Health, Milk and Egg, and Brand Divisions to purchase 13 replacement vehicles
- ◆ Statewide present law adjustments account for \$1.8 million of the biennial increase

### Summary of Legislative Action

The legislature increased the department's overall budget by approximately \$2.5 million each year of the 2009 biennium from the fiscal 2006 base due primarily to increased funding for the Board of Horse Racing, statewide present law adjustments, and the 2009 biennium pay plan.

General fund was increased to approximately \$440,000 each year of the 2009 biennium to provide additional support for the public service function of the diagnostic laboratory in Bozeman and to reduce the lab's reliance upon testing fees. The legislature also approved the Governor's request for \$350,000 general fund for Board of Horse Racing regulatory costs, such as race officials' salaries, that had previously been paid by racetrack owners.

State special revenue increases approximately \$830,000 for the 2009 biennium to implement two gambling bills intended to support the Board of Horse Racing and the horse racing industry. State special revenue also increases to fund increased predator control, to purchase 13 replacement vehicles in the department, and due to increased legal costs for the Board of Milk Control and statewide present law adjustments.

The cooperative agreement for brucellosis management and the Greater Yellowstone Interagency Brucellosis Committee is continued in the 2009 biennium budget approved by the legislature.

### Funding

The following table summarizes funding for the agency, by program and source, as adopted by the legislature. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2009 Biennium Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
01 Centralized Services Program	\$ 418,876	\$ 4,887,541	\$ -	\$ 5,306,417	25.12%
03 Diagnostic Laboratory Program	902,094	2,445,065	23,453	3,370,612	15.95%
04 Animal Health Division	-	1,119,165	1,913,564	3,032,729	14.35%
05 Milk & Egg Program	-	618,237	68,657	686,894	3.25%
06 Brands Enforcement Division	8,194	6,254,688	-	6,262,882	29.64%
10 Meat/Poultry Inspection	1,227,436	12,950	1,228,324	2,468,710	11.68%
Grand Total	<u>\$ 2,556,600</u>	<u>\$ 15,337,646</u>	<u>\$ 3,233,998</u>	<u>\$ 21,128,244</u>	100.00%

The Department of Livestock is funded by general fund, state special revenue and federal special revenue.

General fund supports four programs within the department: 1) the Board of Horse Racing; 2) the diagnostic lab in Bozeman; 3) brands enforcement; and 4) meat/poultry inspections. The general fund for the Board of Horse Racing is a one-time-only appropriation for the 2009 biennium. The diagnostic lab receives general fund for its role in testing for public health and safety related diseases. The Brands Enforcement Division received general fund in the 2009 biennium for pay plan funding. Funding for meat inspections is a 50-50 match of general fund and federal special revenue.

The livestock per capita account is the largest state special revenue account in the department and funds several programs. Per capita revenue is generated by taxation on the ownership of livestock and interest earnings on the fund balance. The animal health account also funds a variety of services and derives its revenues from lab testing fees and milk tax inspection.

**Other Legislation**

House Bill 364 – This bill creates a seven member Livestock Loss Reduction and Mitigation Board that is administratively attached to the Department of Livestock. The board will administer programs to mitigate and reimburse for livestock losses by wolves. Three new accounts are created by this legislation:

- A livestock loss reduction and mitigation state special revenue account that receives money received by the state in the form of gifts, grants, reimbursements, or allocations from any source intended to be used for the livestock loss reduction and mitigation program and interest from the livestock loss reduction and mitigation trust fund (see #3 below);
- A livestock loss reduction and mitigation federal special revenue account that receives all federal funds awarded to the state for compensation for wolf depredations on livestock; and
- A livestock loss reduction and mitigation trust fund account that is statutorily capped at \$5 million and is to be funded with gifts, grants, reimbursements, appropriations, or allocations from any source. Interest and income on this trust must be deposited to the state special revenue fund and used for the livestock loss reduction and mitigation program.

The bill includes two general fund appropriations:

- (1) A \$60,000 appropriation in FY 2008 for 1.0 FTE and operating expenses to establish the Livestock Loss Reduction and Mitigation Board and board activities; and
- (2) A \$60,000 appropriation in FY 2009 for 1.0 FTE and for board expenses.

House Bill 390 – This bill authorizes the Board of Livestock to conduct and supervise advance deposit wagering for horseracing by internet or phone. The Department of Livestock estimates the license agreement revenue will total approximately \$182,000 annually in the 2009 biennium. The bill directs 80 percent, or \$145,600 of the estimated annual revenue, to Montana horse race tracks. Half of the remaining \$36,000, or \$18,200, will be allocated to the Board of Horse Racing to regulate such wagering. The remaining \$18,200 will be evenly divided between the owner's bonus program and breeder's bonus program in the horse racing industry. Spending authority for the revenue generated from HB 390 is included in HB 2.

House Bill 616 – This bill generates revenue for the Board of Horse Racing state special revenue account through pari-mutuel wagering on fantasy sports leagues. The estimated revenue increase is over \$2 million each year, and the administration costs are taken out of these funds. Administrative costs totaling \$465,934 for the 2009 biennium are included in HB 2 (See DP 1081). HB 616 limits administrative costs to no more than 10 percent of the amount collected. The remaining portion is statutorily appropriated to the Board of Horse Racing for distribution to live race purses and for other purposes the Board considers appropriate for the good of the existing horseracing industry.

Senate Bill 544 – This bill creates a Montana-certified natural beef cattle marketing program to be administered jointly by the Montana Departments of Agriculture and Livestock. The departments are required to adopt rules outlining the requirements for a beef cattle producer to qualify for the program.

**Executive Budget Comparison**

The following table compares the legislative budget in the 2009 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2006	Executive Budget Fiscal 2008	Legislative Budget Fiscal 2008	Leg – Exec. Difference Fiscal 2008	Executive Budget Fiscal 2009	Legislative Budget Fiscal 2009	Leg – Exec. Difference Fiscal 2009	Biennium Difference Fiscal 08-09
FTE	135.99	137.99	137.99	0.00	137.99	137.99	0.00	
Personal Services	5,555,013	6,329,967	6,789,018	459,051	6,354,288	7,101,283	746,995	1,206,046
Operating Expenses	2,437,756	3,206,159	3,271,504	65,345	3,022,193	3,071,389	49,196	114,541
Equipment	107,513	319,225	309,225	(10,000)	228,225	228,225	0	(10,000)
Benefits & Claims	0	0	30,000	30,000	0	0	0	30,000
Transfers	0	0	163,800	163,800	0	163,800	163,800	327,600
<b>Total Costs</b>	<b>\$8,100,282</b>	<b>\$9,855,351</b>	<b>\$10,563,547</b>	<b>\$708,196</b>	<b>\$9,604,706</b>	<b>\$10,564,697</b>	<b>\$959,991</b>	<b>\$1,668,187</b>
General Fund	572,665	1,181,322	1,276,410	95,088	1,032,199	1,280,190	247,991	343,079
State/Other Special	6,068,235	7,112,052	7,687,760	575,708	7,011,652	7,649,886	638,234	1,213,942
Federal Special	1,459,382	1,561,977	1,599,377	37,400	1,560,855	1,634,621	73,766	111,166
<b>Total Funds</b>	<b>\$8,100,282</b>	<b>\$9,855,351</b>	<b>\$10,563,547</b>	<b>\$708,196</b>	<b>\$9,604,706</b>	<b>\$10,564,697</b>	<b>\$959,991</b>	<b>\$1,668,187</b>

The legislative budget includes approximately \$343,000 more general fund than the Governor's recommendation. The legislative budget adds \$283,000 more general fund to the diagnostic laboratory than recommended by the Governor and removes \$83,000 general fund in the meat inspection program, as the executive withdrew its request for this increased funding. The legislative budget also includes \$30,000 general fund for the 2009 biennium to implement HB 364, which creates a livestock loss reduction and mitigation program to compensate livestock producers for livestock losses caused by wolves, and \$117,000 for the 2009 biennium pay plan.

State special revenue is \$1.2 million above the Governor's recommendation as the legislative budget includes \$830,000 more state special revenue to implement two Board of Horse Racing bills, \$102,000 more state special revenue for personal services adjustments not included in the executive budget, \$569,000 for the 2009 biennium pay plan, and \$283,000 less state special revenue in the diagnostic laboratory as the general fund increase reduces the state special revenue needed from lab fees by a like amount.

### Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	19.78	0.00	0.00	19.78	0.00	0.00	19.78	19.78
Personal Services	827,608	155,118	198,970	1,181,696	158,603	245,648	1,231,859	2,413,555
Operating Expenses	677,208	329,433	359,266	1,365,907	298,947	193,200	1,169,355	2,535,262
Benefits & Claims	0	0	30,000	30,000	0	0	0	30,000
Transfers	0	0	163,800	163,800	0	163,800	163,800	327,600
<b>Total Costs</b>	<b>\$1,504,816</b>	<b>\$484,551</b>	<b>\$752,036</b>	<b>\$2,741,403</b>	<b>\$457,550</b>	<b>\$602,648</b>	<b>\$2,565,014</b>	<b>\$5,306,417</b>
General Fund	0	0	221,661	221,661	0	197,215	197,215	418,876
State/Other Special	1,504,816	484,551	530,375	2,519,742	457,550	405,433	2,367,799	4,887,541
Federal Special	0	0	0	0	0	0	0	0
<b>Total Funds</b>	<b>\$1,504,816</b>	<b>\$484,551</b>	<b>\$752,036</b>	<b>\$2,741,403</b>	<b>\$457,550</b>	<b>\$602,648</b>	<b>\$2,565,014</b>	<b>\$5,306,417</b>

### Program Description

The Centralized Services Division is responsible for budgeting, accounting, payroll, personnel, legal services, purchasing, administrative, information technology, and general services functions for the department. The Predator Control Program is administered by the Board of Livestock and the executive officer. Although the board placed the predator function in this division during the 2003 biennium, all functions remain unchanged, including the two aircraft and the contract with U.S. Department of Agriculture Wildlife Services. Through helicopter hunting and contracts, predators that kill or injure domestic livestock, primarily coyotes, are controlled.

This division also provides administrative support to the three administratively attached organizations: The Livestock Crimestoppers' Commission, the Milk Control Board, and the Board of Horse Racing.

### Program Highlights

Centralized Services Division Major Budget Highlights	
♦	The legislature expanded funding to the Board of Horse Racing, approving a \$350,000 general fund biennial, one-time-only appropriation to the Board of Horse Racing and increasing state special revenue authority approximately \$830,000 in the 2009 biennium to implement legislation related to horse racing
♦	Funds appropriated for predator control increased \$77,675 each year of the 2009 biennium
♦	The legislature included an additional \$50,000 state special revenue budgeted for legal fees

### Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Centralized Services Pro						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
<b>01000 Total General Fund</b>	\$ -	-	\$ 221,661	8.1%	\$ 197,215	7.7%
01100 General Fund	-	-	221,661	8.1%	197,215	7.7%
<b>02000 Total State Special Funds</b>	<b>1,504,816</b>	<b>100.0%</b>	<b>2,519,742</b>	<b>91.9%</b>	<b>2,367,799</b>	<b>92.3%</b>
02029 Board Of Horse Racing	158,067	10.5%	692,503	25.3%	532,519	20.8%
02426 Lvstk Per Capita	1,140,955	75.8%	1,581,740	57.7%	1,580,946	61.6%
02817 Milk Control Bureau	205,794	13.7%	245,499	9.0%	254,334	9.9%
<b>Grand Total</b>	<b>\$ 1,504,816</b>	<b>100.0%</b>	<b>\$ 2,741,403</b>	<b>100.0%</b>	<b>\$ 2,565,014</b>	<b>100.0%</b>

The division is funded from the livestock per capita fund, the Milk Control Bureau fund, and the Board of Horse Racing fund. The livestock per capita fund, an annual tax on livestock headcount, funds all activities of the division, except for the administratively attached boards. The division collects indirect cost reimbursements on federal and state special revenues expended in other divisions; these reimbursements are deposited to the livestock per capita fund. The Milk Control Bureau and the Board of Horse Racing are funded from fees assessed to the respective industries.

The legislature approved \$350,000 general fund in the 2009 biennium as a one-time-only appropriation for the Board of Horse Racing (See DP 1080 for more information). In addition, \$30,000 general fund was added as a one-time-only appropriation to implement a livestock loss reduction and mitigation program created by HB 364.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----					-----Fiscal 2009-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				170,016					172,707	
Vacancy Savings				(39,907)					(40,014)	
Inflation/Deflation				1,795					2,161	
Fixed Costs				215,519					186,604	
Total Statewide Present Law Adjustments				\$347,423					\$321,458	
DP 1005 - Predator Control Authority Increase										
0.00	0	77,675	0	77,675	0.00	0	77,675	0	77,675	
DP 1006 - Department wide IT Equipment Replacement RST										
0.00	0	6,763	0	6,763	0.00	0	4,683	0	4,683	
DP 1007 - Board of Livestock - Per Diem										
0.00	0	5,100	0	5,100	0.00	0	5,100	0	5,100	
DP 1009 - Information Technology -Oracle Training										
0.00	0	2,055	0	2,055	0.00	0	2,055	0	2,055	
DP 1037 - Board of Milk Control - Legal Fees										
0.00	0	25,000	0	25,000	0.00	0	25,000	0	25,000	
DP 1038 - Board of Milk Control - Per Diem										
0.00	0	1,100	0	1,100	0.00	0	1,100	0	1,100	
DP 1078 - Board of Horse Racing - Per Diem										
0.00	0	1,300	0	1,300	0.00	0	1,300	0	1,300	
DP 1079 - Board of Horse Racing - Rent										
0.00	0	671	0	671	0.00	0	815	0	815	
DP 6010 - Non-Statutory Statewide Personal Services Adj										
0.00	0	17,509	0	17,509	0.00	0	18,410	0	18,410	
DP 6015 - State Motor Pool Rate Change										
0.00	0	(45)	0	(45)	0.00	0	(46)	0	(46)	
Total Other Present Law Adjustments										
0.00	\$0	\$137,128	\$0	\$137,128	0.00	\$0	\$136,092	\$0	\$136,092	
Grand Total All Present Law Adjustments				\$484,551					\$457,550	

DP 1005 - Predator Control Authority Increase - The legislature increased funding for predator control by \$155,350 in the 2009 biennium to increase the contract with USDA Wildlife Services for aerial hunting of predators. Base year expenditures for this program were \$244,500 and were funded from the livestock per capita fund. With the approved adjustment, a total of \$322,175 is authorized each year for predator control from the livestock per capita fund.

DP 1006 - Department wide IT Equipment Replacement RST - The legislature added \$11,446 livestock per capita funds in the 2009 biennium, as a restricted appropriation, to allow the purchase of replacement computer equipment based on the department's four year replacement cycle, replace two computer servers via a lease with the state Department of Administration, and purchase a replacement color laser printer.

DP 1007 - Board of Livestock - Per Diem - Base year board per diem expenditures are restored in HB 2 to allow the board to meet its statutory obligations to direct the department. Per diem expenditures are zero-based and must be restored each biennium. This adjustment is funded from livestock per capita funds.

DP 1009 - Information Technology -Oracle Training - The legislature added \$4,110 state special revenue authority in the 2009 biennium for oracle training for two new information technology staff members. Livestock per capita funds support this adjustment.

DP 1037 - Board of Milk Control - Legal Fees - The legislature added Milk Control Bureau assessment fees totaling \$50,000 for the Board of Milk Control budget for legal fees anticipated in the 2009 biennium. The Board oversees producer pricing and performs other regulatory functions for the Montana milk industry and contracts with the Attorney General's Office for legal services.

DP 1038 - Board of Milk Control - Per Diem - The legislature increased base year per diem expenditures \$1,100 each year of the 2009 biennium to allow the board to meet its statutory obligations. Per diem expenditures are zero-based and must be restored each biennium. The adjustment is funded from Milk Control Bureau assessment fees.

DP 1078 - Board of Horse Racing - Per Diem - The legislature increased base year per diem expenditures to allow the Board of Horse Racing to meet its statutory obligations. Per diem expenditures are zero-based and must be restored each biennium. This adjustment is funded from Board of Horse Racing state special revenues (licensing fees and one percent of wagers).

DP 1079 - Board of Horse Racing - Rent - HB 2 increases the 2009 biennium budget for the Board of Horse Racing to reflect a rent increase from \$11.64 per square foot in FY 2006 to \$12.107 in FY 2008 and \$12.349 in FY 2009. The legislature increased the 2009 biennium budget for the Board of Horse Racing to reflect a rent increase from \$11.64 per square foot in FY 2006 to \$12.107 in FY 2008 and \$12.349 in FY 2009. The rate increases by two percent a year as per agreement. The total increase for 597 total sq. ft. occupied is \$671 in FY 2008 and \$815 in FY 2009.

DP 6010 - Non-Statutory Statewide Personal Services Adj - The legislature excluded a portion of the statewide personal services adjustment proposed by the Governor, resulting in the personal services present law adjustment in this bill exceeding the executive proposal by approximately 14 percent each year.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool was reduced from the level requested by the Governor.

**New Proposals**

New Proposals										
Program	FTE	Fiscal 2008				FTE	Fiscal 2009			
		General Fund	State Special	Federal Special	Total Funds		General Fund	State Special	Federal Special	Total Funds
DP 1015 - Livestock Loss Reduction and Mitigation										
01	0.00	30,000	0	0	30,000	0.00	0	0	0	0
DP 1080 - Board of Horse Racing Support Bien/OTO										
01	0.00	175,000	0	0	175,000	0.00	175,000	0	0	175,000
DP 1081 - Pari-mutuel Wagering on Fantasy Sports Leagues										
01	0.00	0	316,000	0	316,000	0.00	0	149,934	0	149,934
DP 1082 - Telephone Account Wagering on Internet Horseracing										
01	0.00	0	182,000	0	182,000	0.00	0	182,000	0	182,000
DP 6013 - 2009 Biennium Pay Plan - HB 13										
01	0.00	16,661	31,421	0	48,082	0.00	22,215	72,507	0	94,722
DP 6014 - Retirement Employer Contributions - HB 63 & HB 131										
01	0.00	0	954	0	954	0.00	0	992	0	992
<b>Total</b>	<b>0.00</b>	<b>\$221,661</b>	<b>\$530,375</b>	<b>\$0</b>	<b>\$752,036</b>	<b>0.00</b>	<b>\$197,215</b>	<b>\$405,433</b>	<b>\$0</b>	<b>\$602,648</b>

DP 1015 - Livestock Loss Reduction and Mitigation - The legislature added \$30,000 general fund as a restricted, biennial, one-time-only appropriation to implement HB 364, a bill that creates a livestock loss reduction and mitigation program to reimburse livestock producers for livestock losses caused by wolves. See the Other Legislation section in the Agency Summary for more information on HB 364.

DP 1080 - Board of Horse Racing Support Bien/OTO - The legislature included \$350,000 state general fund for a biennial, one-time-only appropriation in the 2009 biennium for the Board of Horse Racing. The infusion of state funds into the Board of Horse Racing will be used to pay a portion of the regulatory costs, primarily salaries for race track officials, which have been paid in the past by those tracks putting on the event.

DP 1081 - Pari-mutuel Wagering on Fantasy Sports Leagues - This decision package provides state special revenue authority for the administrative costs relating to HB 616, a bill that generates revenue for the Board of Horse Racing state special revenue account through pari-mutuel wagering on fantasy sports leagues. The estimated revenue increase is over \$2 million each year, and the administration costs are taken out of these funds. The legislature appropriated \$465,934 state special revenue for administrative expenses in the 2009 biennium. The bill limits administrative costs to no more than 10 percent of the amount collected. The remaining portion is statutorily appropriated to the Board of Horse Racing for distribution to live race purses and for other purposes the Board considers appropriate for the good of the existing horseracing industry.

DP 1082 - Telephone Account Wagering on Internet Horseracing - This decision package adds \$182,000 state special revenue each year to implement HB 390, a bill that authorizes the Board of Livestock to conduct and supervise advance deposit wagering for horseracing by internet or phone. See the Other Legislation section in the Agency Summary for more information on HB 390.

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in CY 2008 and an additional \$36 per month in CY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB 63 & HB 131 - The legislature adopted HB 63 and HB 131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

**Language**

"Livestock Loss Reduction and Mitigation may be used only to compensate livestock owners for losses caused by wolves." (see DP 1015)



### Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	20.50	0.00	1.00	21.50	0.00	1.00	21.50	21.50
Personal Services	952,645	66,816	93,465	1,112,926	70,736	144,492	1,167,873	2,280,799
Operating Expenses	476,411	29,539	11,500	517,450	30,952	10,000	517,363	1,034,813
Equipment	0	45,000	10,000	55,000	0	0	0	55,000
<b>Total Costs</b>	<b>\$1,429,056</b>	<b>\$141,355</b>	<b>\$114,965</b>	<b>\$1,685,376</b>	<b>\$101,688</b>	<b>\$154,492</b>	<b>\$1,685,236</b>	<b>\$3,370,612</b>
General Fund	93,651	(1,398)	354,594	446,847	(1,390)	362,986	455,247	902,094
State/Other Special	1,335,405	142,753	(249,680)	1,228,478	103,078	(221,896)	1,216,587	2,445,065
Federal Special	0	0	10,051	10,051	0	13,402	13,402	23,453
<b>Total Funds</b>	<b>\$1,429,056</b>	<b>\$141,355</b>	<b>\$114,965</b>	<b>\$1,685,376</b>	<b>\$101,688</b>	<b>\$154,492</b>	<b>\$1,685,236</b>	<b>\$3,370,612</b>

### Program Description

The Diagnostic Laboratory provides livestock laboratory diagnostic support for the Disease Control Program, Milk and Egg program, and livestock producers. Testing is done for zoonotic diseases and on dairy products to protect the health of Montana citizens. Laboratory testing services are conducted upon request to assist animal owners, veterinarians, the Department of Fish, Wildlife and Parks, and other agencies in protecting the health of animals, wildlife and the public.

### Program Highlights

Diagnostic Laboratory Major Budget Highlights	
◆	General fund increases significantly in the 2009 biennium to provide additional support for the public service function of the diagnostic laboratory in Bozeman
◆	1.00 FTE molecular technologist is added to the diagnostic laboratory, funded from laboratory fees

### Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Diagnostic Laboratory Pr						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
<b>01000 Total General Fund</b>	<b>\$ 93,651</b>	<b>6.6%</b>	<b>\$ 446,847</b>	<b>26.5%</b>	<b>\$ 455,247</b>	<b>27.0%</b>
01100 General Fund	93,651	6.6%	446,847	26.5%	455,247	27.0%
<b>02000 Total State Special Funds</b>	<b>1,335,405</b>	<b>93.4%</b>	<b>1,228,478</b>	<b>72.9%</b>	<b>1,216,587</b>	<b>72.2%</b>
02426 Lvstk Per Capita	290,707	20.3%	(141,286)	-8.4%	(141,286)	-8.4%
02427 Animal Health	1,044,698	73.1%	1,369,764	81.3%	1,357,873	80.6%
<b>03000 Total Federal Special Funds</b>	<b>-</b>	<b>-</b>	<b>10,051</b>	<b>0.6%</b>	<b>13,402</b>	<b>0.8%</b>
03427 Bison Trap Funds	-	-	10,051	0.6%	13,402	0.8%
<b>Grand Total</b>	<b>\$ 1,429,056</b>	<b>100.0%</b>	<b>\$ 1,685,376</b>	<b>100.0%</b>	<b>\$ 1,685,236</b>	<b>100.0%</b>

In FY 2006, the diagnostic laboratory was funded from lab fees, state general fund, a portion of the \$0.15 per hundred weight milk assessment fee, and a non-budgeted transfer from the livestock per capita fund. The legislature increased

general fund for the diagnostic laboratory from approximately \$94,000 in FY 2006 to approximately \$440,000 each year of the 2009 biennium (see New Proposals).

State special revenue includes lab fees for diagnostic testing and an allocation from the \$0.15 per hundred weight milk assessment fee. Based upon the budget levels approved by the legislature, and the general fund support for the diagnostic laboratory, lab fee revenue from diagnostic tests will have to increase approximately 50 percent from base budget levels and milk assessment fee revenue will have to increase 33 percent to fully fund the approved budgets.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
Fiscal 2008						Fiscal 2009				
FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				105,773						109,700
Vacancy Savings				(42,338)						(42,493)
Inflation/Deflation				8,228						8,644
Fixed Costs				5,086						5,086
<b>Total Statewide Present Law Adjustments</b>				<b>\$76,749</b>						<b>\$80,937</b>
DP 3007 - Diagnostic Lab Equipment										
0.00	0	53,902	0	53,902		0.00	0	8,902	0	8,902
DP 3009 - Lab Recharges										
0.00	0	7,323	0	7,323		0.00	0	8,320	0	8,320
DP 3010 - Lab Overtime										
0.00	0	2,208	0	2,208		0.00	0	2,208	0	2,208
DP 6010 - Non-Statutory Statewide Personal Services Adj										
0.00	(1,398)	2,571	0	1,173		0.00	(1,390)	2,711	0	1,321
<b>Total Other Present Law Adjustments</b>										
<b>0.00</b>	<b>(\$1,398)</b>	<b>\$66,004</b>	<b>\$0</b>	<b>\$64,606</b>		<b>0.00</b>	<b>(\$1,390)</b>	<b>\$22,141</b>	<b>\$0</b>	<b>\$20,751</b>
<b>Grand Total All Present Law Adjustments</b>				<b>\$141,355</b>						<b>\$101,688</b>

DP 3007 - Diagnostic Lab Equipment - The legislature increased the diagnostic lab budget by \$62,804, funded from lab fees, for numerous pieces of new and replacement diagnostic lab equipment in the 2009 biennium including an automated tissue stainer, a tissue processor, a blood centrifuge, a water bath, an emergency generator, two air conditioning units, and a water purification system.

DP 3009 - Lab Recharges - The legislative budget includes increased budget authority to pay Montana State University-Bozeman for overhead expenses at the lab for facilities management services. These expenses are expected to increase \$7,343 above the base in FY 2008 and \$8,320 in FY 2009. The increased cost is funded with state special revenue (lab fees).

DP 3010 - Lab Overtime - The legislative budget includes \$4,416 in the 2009 for anticipated overtime costs at the diagnostic laboratory. Overtime costs are zero-based and must be requested separately each biennium.

DP 6010 - Non-Statutory Statewide Personal Services Adj - The legislature excluded a portion of the statewide personal services adjustment proposed by the Governor, resulting in the personal services present law adjustment in this bill exceeding the executive proposal by approximately 2 percent each year.

**New Proposals**

New Proposals										
Program	FTE	Fiscal 2008				Fiscal 2009				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3001 - Diagnostic Lab General Fund Increase										
03	0.00	347,635	(347,635)	0	0	0.00	347,635	(347,635)	0	0
DP 3008 - Diagnostic Lab PCR Technology OTO										
03	1.00	0	62,272	0	62,272	1.00	0	50,812	0	50,812
DP 6013 - 2009 Biennium Pay Plan - HB 13										
03	0.00	6,755	34,766	10,051	51,572	0.00	15,135	73,976	13,402	102,513
DP 6014 - Retirement Employer Contributions - HB 63 & HB 131										
03	0.00	204	917	0	1,121	0.00	216	951	0	1,167
<b>Total</b>	<b>1.00</b>	<b>\$354,594</b>	<b>(\$249,680)</b>	<b>\$10,051</b>	<b>\$114,965</b>	<b>1.00</b>	<b>\$362,986</b>	<b>(\$221,896)</b>	<b>\$13,402</b>	<b>\$154,492</b>

DP 3001 - Diagnostic Lab General Fund Increase - The legislature increased state general fund base for the diagnostic laboratory at Bozeman by \$347,635 each year of the 2009 biennium to recognize the increased number of lab tests conducted for public health. Since this is a fund switch, state special revenue is reduced by a like amount.

DP 3008 - Diagnostic Lab PCR Technology OTO - The legislature approved a one-time-only appropriation of \$113,084 in the 2009 biennium for a 1.0 FTE molecular technologist to devote full-time to the development and validation of molecular testing procedures using the lab's polymerase chain reaction (PCR) technology. The budget increase also includes allowances for increased lab tests, other supplies, and a refrigerated centrifuge. This one time only appropriation is funded from diagnostic lab fees.

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in CY 2008 and an additional \$36 per month in CY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB 63 & HB 131 - The legislature adopted HB 63 and HB 131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

**Program Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	14.00	0.00	0.00	14.00	0.00	0.00	14.00	14.00
Personal Services	480,654	219,157	23,586	723,397	223,334	53,744	757,732	1,481,129
Operating Expenses	651,686	39,372	0	691,058	38,406	0	690,092	1,381,150
Equipment	72,225	0	0	72,225	26,000	0	98,225	170,450
<b>Total Costs</b>	<b>\$1,204,565</b>	<b>\$258,529</b>	<b>\$23,586</b>	<b>\$1,486,680</b>	<b>\$287,740</b>	<b>\$53,744</b>	<b>\$1,546,049</b>	<b>\$3,032,729</b>
State/Other Special	301,047	219,400	15,184	535,631	248,690	33,797	583,534	1,119,165
Federal Special	903,518	39,129	8,402	951,049	39,050	19,947	962,515	1,913,564
<b>Total Funds</b>	<b>\$1,204,565</b>	<b>\$258,529</b>	<b>\$23,586</b>	<b>\$1,486,680</b>	<b>\$287,740</b>	<b>\$53,744</b>	<b>\$1,546,049</b>	<b>\$3,032,729</b>

**Program Description**

The Animal Health Division provides diagnosis, prevention, control, and eradication of animal diseases, including those in bison and game farm animals. The program cooperates with the Departments of Public Health and Human Services, Fish, Wildlife and Parks, and Agriculture to protect human health from animal diseases transmissible to humans. Sanitary standards are supervised for animal concentration points, such as auction markets, and certain animal product processing facilities, such as rendering plants. The Rabies Control Unit protects public health from rabies by controlling the transmission of domestic animal and wildlife rabies, particularly through eradication of skunks.

**Program Highlights**

Animal Health Program Major Budget Highlights	
♦	The legislative budget continues the department's participation in the state-federal cooperative agreement for Brucellosis Management (\$665,000 annually) and the Greater Yellowstone Interagency Brucellosis Committee (GYIBC) (\$277,080 annually)
♦	One vehicle is budgeted for replacement in FY 2009 - \$26,000

**Funding**

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Animal Health Division							
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009	
<b>02000 Total State Special Funds</b>	<b>\$ 301,047</b>	<b>25.0%</b>	<b>\$ 535,631</b>	<b>36.0%</b>	<b>\$ 583,534</b>	<b>37.7%</b>	
02426 Lvstk Per Capita	295,741	24.6%	535,631	36.0%	583,534	37.7%	
02427 Animal Health	5,306	0.4%	-	-	-	-	
<b>03000 Total Federal Special Funds</b>	<b>903,518</b>	<b>75.0%</b>	<b>951,049</b>	<b>64.0%</b>	<b>962,515</b>	<b>62.3%</b>	
03427 Bison Trap Funds	903,518	75.0%	951,049	64.0%	962,515	62.3%	
<b>Grand Total</b>	<b>\$ 1,204,565</b>	<b>100.0%</b>	<b>\$ 1,486,680</b>	<b>100.0%</b>	<b>\$ 1,546,049</b>	<b>100.0%</b>	

State special revenue, primarily livestock per capita fees, supports disease control, import/export activities, and alternative livestock activities in this program and increases 38 percent from the 2007 biennium to the 2009 biennium. Federal funds support bison operations and Greater Yellowstone Interagency Brucellosis Committee (GYIBC) research and cooperative efforts.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----						-----Fiscal 2009-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					247,640					251,959
Vacancy Savings					(29,131)					(29,307)
Inflation/Deflation					912					995
Total Statewide Present Law Adjustments					\$219,421					\$223,647
DP 4003 - Animal Health Division Vehicle Replacement RST/OTO	0.00	0	0	0	0	0.00	0	26,000	0	26,000
DP 4004 - Federal Funding - Bison	0.00	0	0	31,564	31,564	0.00	0	0	30,815	30,815
DP 4005 - Out-of-State Travel	0.00	0	6,600	0	6,600	0.00	0	6,600	0	6,600
DP 6010 - Non-Statutory Statewide Personal Services Adj	0.00	0	(4,915)	5,563	648	0.00	0	(4,802)	5,484	682
DP 6015 - State Motor Pool Rate Change	0.00	0	(2)	(2)	(4)	0.00	0	(2)	(2)	(4)
Total Other Present Law Adjustments										
	0.00	\$0	\$1,683	\$37,125	\$38,808	0.00	\$0	\$27,796	\$36,297	\$64,093
Grand Total All Present Law Adjustments					\$258,229					\$287,740

DP 4003 - Animal Health Division Vehicle Replacement RST/OTO - The legislature approved additional funds to replace a vehicle used by livestock investigators to conduct their business. The FY 2009 budget includes a \$26,000 restricted appropriation for this purpose, funded from the livestock per capita fund.

DP 4004 - Federal Funding - Bison - The legislature included \$62,379 additional federal authority for the department to receive and spend anticipated increased funding in the 2009 biennium for bison operations and GYIBC research and cooperative efforts.

DP 4005 - Out-of-State Travel - The legislative budget includes an additional \$13,200 in the 2009 biennium for increased out-of-state travel for disease control meetings and to maintain staff training and qualifications. This budget increase is funded from the livestock per capita fund.

DP 6010 - Non-Statutory Statewide Personal Services Adj - The legislature excluded a portion of the statewide personal services adjustment proposed by the Governor, resulting in the personal services present law adjustment in this bill exceeding the executive proposal by approximately 0.3 percent each year.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool was reduced from the level requested by the Governor.

**New Proposals**

New Proposals										
Program	FTE	-----Fiscal 2008-----				-----Fiscal 2009-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2009 Biennium Pay Plan - HB 13										
04	0.00	0	14,695	8,263	22,958	0.00	0	33,290	19,804	53,094
DP 6014 - Retirement Employer Contributions - HB 63 & HB 131										
04	0.00	0	489	139	628	0.00	0	507	143	650
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$15,184</b>	<b>\$8,402</b>	<b>\$23,586</b>	<b>0.00</b>	<b>\$0</b>	<b>\$33,797</b>	<b>\$19,947</b>	<b>\$53,744</b>

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in CY 2008 and an additional \$36 per month in CY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB 63 & HB 131 - The legislature adopted HB 63 and HB 131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

**Program Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00	5.00
Personal Services	252,561	13,800	9,403	275,764	14,743	20,727	288,031	563,795
Operating Expenses	43,757	4,791	0	48,548	4,794	0	48,551	97,099
Equipment	0	26,000	0	26,000	0	0	0	26,000
<b>Total Costs</b>	<b>\$296,318</b>	<b>\$44,591</b>	<b>\$9,403</b>	<b>\$350,312</b>	<b>\$19,537</b>	<b>\$20,727</b>	<b>\$336,582</b>	<b>\$686,894</b>
State/Other Special	263,464	44,603	8,502	316,569	19,550	18,654	301,668	618,237
Federal Special	32,854	(12)	901	33,743	(13)	2,073	34,914	68,657
<b>Total Funds</b>	<b>\$296,318</b>	<b>\$44,591</b>	<b>\$9,403</b>	<b>\$350,312</b>	<b>\$19,537</b>	<b>\$20,727</b>	<b>\$336,582</b>	<b>\$686,894</b>

**Program Description**

The Milk and Egg Inspection program ensures that eggs, milk, and milk products sold or manufactured in Montana are fit for human consumption. Enforcement of state and federal laws is accomplished through licensing, sampling, laboratory testing, and product and site inspections, done in cooperation with other state and federal agencies.

**Program Highlights**

Milk and Egg Program Major Budget Highlights	
♦	One vehicle is budgeted at \$26,000 for replacement in FY 2008
♦	Statewide and other present law adjustments add approximately \$18,500 in FY 2008 and \$19,500 in FY 2009

**Funding**

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Milk & Egg Program							
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009	
<b>02000 Total State Special Funds</b>	<b>\$ 263,464</b>	<b>88.9%</b>	<b>\$ 316,569</b>	<b>90.4%</b>	<b>\$ 301,668</b>	<b>89.6%</b>	
02427 Animal Health	263,464	88.9%	316,569	90.4%	301,668	89.6%	
<b>03000 Total Federal Special Funds</b>	<b>32,854</b>	<b>11.1%</b>	<b>33,743</b>	<b>9.6%</b>	<b>34,914</b>	<b>10.4%</b>	
03032 Animal Health Sp. Rev	32,854	11.1%	33,743	9.6%	34,914	10.4%	
<b>Grand Total</b>	<b>\$ 296,318</b>	<b>100.0%</b>	<b>\$ 350,312</b>	<b>100.0%</b>	<b>\$ 336,582</b>	<b>100.0%</b>	

The Milk and Egg Program is funded with a mixture of state and federal special revenue. State special revenues are funds derived from a portion of the \$0.15 per hundred-weight tax on the volume of all classes of milk produced and sold in Montana. Federal special revenues are provided from the U.S. Department of Agriculture to conduct shell egg surveillance.

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	Fiscal 2008					Fiscal 2009				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					24,983					25,966
Vacancy Savings					(11,102)					(11,141)
Inflation/Deflation					540					543
Fixed Costs					1,070					1,070
<b>Total Statewide Present Law Adjustments</b>					<b>\$15,491</b>					<b>\$16,438</b>
DP 5004 - Milk and Egg Bureau Vehicle Replacement RST/OTO	0.00	0	26,000	0	26,000	0.00	0	0	0	0
DP 5005 - Milk & Egg Out of State Travel	0.00	0	3,181	0	3,181	0.00	0	3,181	0	3,181
DP 6010 - Non-Statutory Statewide Personal Services Adj	0.00	0	(69)	(12)	(81)	0.00	0	(69)	(13)	(82)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$29,112</b>	<b>(\$12)</b>	<b>\$29,100</b>	<b>0.00</b>	<b>\$0</b>	<b>\$3,112</b>	<b>(\$13)</b>	<b>\$3,099</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$44,591</b>					<b>\$19,537</b>

DP 5004 - Milk and Egg Bureau Vehicle Replacement RST/OTO - The legislative budget includes a restricted, one-time-only appropriation of \$26,000 in FY 2008 to replace a vehicle used by division sanitarians for traveling to on-site locations to conduct milk and egg inspections for the state. This budget adjustment is funded from milk assessment fees.

DP 5005 - Milk & Egg Out of State Travel - The legislature approved \$6,362 state special revenue authority in the 2009 biennium for increased out-of-state travel for the milk and egg sanitarians to maintain their credentials to perform their work. This decision package is funded from milk assessment fees.

DP 6010 - Non-Statutory Statewide Personal Services Adj - The legislature excluded a portion of the statewide personal services adjustment proposed by the Governor. The amount excluded is approximately 0.6 percent of the total personal services (including vacancy savings) statewide present law adjustment that was proposed by the Governor.

**New Proposals**

New Proposals										
Program	Fiscal 2008					Fiscal 2009				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2009 Biennium Pay Plan - HB 13										
05	0.00	0	8,237	871	9,108	0.00	0	18,379	2,042	20,421
DP 6014 - Retirement Employer Contributions - HB 63 & HB 131										
05	0.00	0	265	30	295	0.00	0	275	31	306
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$8,502</b>	<b>\$901</b>	<b>\$9,403</b>	<b>0.00</b>	<b>\$0</b>	<b>\$18,654</b>	<b>\$2,073</b>	<b>\$20,727</b>

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in CY 2008 and an additional \$36 per month in CY 2009. These amounts represent this program's allocation of costs to fund this pay plan.



DP 6014 - Retirement Employer Contributions - HB 63 & HB 131 - The legislature adopted HB 63 and HB 131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

**Program Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	57.21	0.00	0.00	57.21	0.00	0.00	57.21	57.21
Personal Services	2,312,794	202,323	92,779	2,607,896	214,007	200,900	2,727,701	5,335,597
Operating Expenses	308,946	11,535	0	320,481	11,858	0	320,804	641,285
Equipment	35,288	120,712	0	156,000	94,712	0	130,000	286,000
<b>Total Costs</b>	<b>\$2,657,028</b>	<b>\$334,570</b>	<b>\$92,779</b>	<b>\$3,084,377</b>	<b>\$320,577</b>	<b>\$200,900</b>	<b>\$3,178,505</b>	<b>\$6,262,882</b>
General Fund	0	0	3,512	3,512	0	4,682	4,682	8,194
State/Other Special	2,657,028	334,570	89,267	3,080,865	320,577	196,218	3,173,823	6,254,688
<b>Total Funds</b>	<b>\$2,657,028</b>	<b>\$334,570</b>	<b>\$92,779</b>	<b>\$3,084,377</b>	<b>\$320,577</b>	<b>\$200,900</b>	<b>\$3,178,505</b>	<b>\$6,262,882</b>

**Program Description**

The Brands Enforcement Division is responsible for livestock theft investigations, stray livestock investigations, brand inspections, recording of livestock brands, filing of security interests on livestock, livestock auction licensing, livestock dealer licensing, hide inspections, and beef inspections.

**Program Highlights**

Brands Enforcement Division Major Budget Highlights	
♦	Eleven vehicles are budgeted at \$215,000 for replacement in the 2009 biennium

**Funding**

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Brands Enforcement Divis						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
<b>01000 Total General Fund</b>	\$ -	-	\$ 3,512	0.1%	\$ 4,682	0.1%
01100 General Fund	-	-	3,512	0.1%	4,682	0.1%
<b>02000 Total State Special Funds</b>	<b>2,657,028</b>	<b>100.0%</b>	<b>3,080,865</b>	<b>99.9%</b>	<b>3,173,823</b>	<b>99.9%</b>
02425 Inspection And Control	1,628,345	61.3%	1,816,047	58.9%	1,891,052	59.5%
02426 Lvstk Per Capita	1,028,683	38.7%	1,264,818	41.0%	1,282,771	40.4%
<b>Grand Total</b>	<b>\$ 2,657,028</b>	<b>100.0%</b>	<b>\$ 3,084,377</b>	<b>100.0%</b>	<b>\$ 3,178,505</b>	<b>100.0%</b>

Brands enforcement activities are funded from new and re-recorded brand fees, local and market inspection fees, livestock dealers license fees, and various other related assessments, all of which are deposited to the inspection and control state special revenue fund. The livestock per capita fund also supports activities in this division.

General fund is added to this program in the 2009 biennium to provide funding to bring salaries to at least 80 percent of market average.

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2008-----					-----Fiscal 2009-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					191,384					202,145
Vacancy Savings					(100,164)					(100,596)
Inflation/Deflation					1,488					1,811
Fixed Costs					10,047					10,047
<b>Total Statewide Present Law Adjustments</b>					<b>\$102,755</b>					<b>\$113,407</b>
DP 6002 - Brand Division Vehicle Replacement RST/OTO	0.00	0	120,712	0	120,712	0.00	0	94,712	0	94,712
DP 6003 - Overtime - Brand Enforcement Division	0.00	0	78,169	0	78,169	0.00	0	78,169	0	78,169
DP 6010 - Non-Statutory Statewide Personal Services Adj	0.00	0	32,934	0	32,934	0.00	0	34,289	0	34,289
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$231,815</b>	<b>\$0</b>	<b>\$231,815</b>	<b>0.00</b>	<b>\$0</b>	<b>\$207,170</b>	<b>\$0</b>	<b>\$207,170</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$334,570</b>					<b>\$320,577</b>

DP 6002 - Brand Division Vehicle Replacement RST/OTO - The legislature approved a restricted, one-time-only appropriation to replace 11 of the division's 18 investigator vehicles in the 2009 biennium. This decision package is funded from the livestock per capita fund.

DP 6003 - Overtime - Brand Enforcement Division - The legislature included the FY 2006 base amount of overtime, \$78,169, each year of the 2009 biennium, funded with the livestock per capita fund. Overtime is a zero-based item and must be requested each biennium.

DP 6010 - Non-Statutory Statewide Personal Services Adj - The legislature excluded a portion of the statewide personal services adjustment proposed by the governor, resulting in the personal services present law adjustment in this bill exceeding the executive proposal by approximately 35 percent each year.

**New Proposals**

New Proposals										
-----Fiscal 2008-----					-----Fiscal 2009-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2009 Biennium Pay Plan - HB 13										
06	0.00	3,512	87,735	0	91,247	0.00	4,682	194,633	0	199,315
DP 6014 - Retirement Employer Contributions - HB 63 & HB 131										
06	0.00	0	1,532	0	1,532	0.00	0	1,585	0	1,585
<b>Total</b>	<b>0.00</b>	<b>\$3,512</b>	<b>\$89,267</b>	<b>\$0</b>	<b>\$92,779</b>	<b>0.00</b>	<b>\$4,682</b>	<b>\$196,218</b>	<b>\$0</b>	<b>\$200,900</b>

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in CY 2008 and an additional \$36 per month in CY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB 63 & HB 131 - The legislature adopted HB 63 and HB 131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

### Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	19.50	0.00	1.00	20.50	0.00	1.00	20.50	20.50
Personal Services	728,751	94,176	64,412	887,339	96,648	102,688	928,087	1,815,426
Operating Expenses	279,748	29,250	19,062	328,060	30,714	14,762	325,224	653,284
<b>Total Costs</b>	<b>\$1,008,499</b>	<b>\$123,426</b>	<b>\$83,474</b>	<b>\$1,215,399</b>	<b>\$127,362</b>	<b>\$117,450</b>	<b>\$1,253,311</b>	<b>\$2,468,710</b>
General Fund	479,014	83,711	41,665	604,390	85,679	58,353	623,046	1,227,436
State/Other Special	6,475	0	0	6,475	0	0	6,475	12,950
Federal Special	523,010	39,715	41,809	604,534	41,683	59,097	623,790	1,228,324
<b>Total Funds</b>	<b>\$1,008,499</b>	<b>\$123,426</b>	<b>\$83,474</b>	<b>\$1,215,399</b>	<b>\$127,362</b>	<b>\$117,450</b>	<b>\$1,253,311</b>	<b>\$2,468,710</b>

### Program Description

The Meat and Poultry Inspection Program was established in 1987 by the Montana Meat and Poultry Inspection Act. It implements and enforces a meat and poultry inspection system equal to that maintained by the U.S. Department of Agriculture and the Food Safety Inspection Service to assure clean, wholesome, and properly-labeled meat and poultry products for consumers.

### Program Highlights

Meat and Poultry Inspection Program Major Budget Highlights	
◆	An additional meat plant inspector is included in the budget, and may be added only if workload increases
◆	One-time-only funding totaling \$13,044 is included for computer maintenance costs
◆	The state and federal funding ratio is maintained at 50/50

### Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Meat/Poultry Inspection						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
<b>01000 Total General Fund</b>	<b>\$ 479,014</b>	<b>47.5%</b>	<b>\$ 604,390</b>	<b>49.7%</b>	<b>\$ 623,046</b>	<b>49.7%</b>
01100 General Fund	479,014	47.5%	604,390	49.7%	623,046	49.7%
<b>02000 Total State Special Funds</b>	<b>6,475</b>	<b>0.6%</b>	<b>6,475</b>	<b>0.5%</b>	<b>6,475</b>	<b>0.5%</b>
02427 Animal Health	6,475	0.6%	6,475	0.5%	6,475	0.5%
<b>03000 Total Federal Special Funds</b>	<b>523,010</b>	<b>51.9%</b>	<b>604,534</b>	<b>49.7%</b>	<b>623,790</b>	<b>49.8%</b>
03209 Meat/Poultry Inspection Sp Rev	523,010	51.9%	604,534	49.7%	623,790	49.8%
<b>Grand Total</b>	<b>\$ 1,008,499</b>	<b>100.0%</b>	<b>\$ 1,215,399</b>	<b>100.0%</b>	<b>\$ 1,253,311</b>	<b>100.0%</b>

The majority of meat and poultry inspection program funding is split evenly between federal funds and general fund. Per cooperative agreement with the U.S. Department of Agriculture, state special revenue funds cannot be used as match when they are derived through a fee on the producers being inspected by the program. Since state special revenues are generated from fees on those producers being inspected, the state match is provided by the general fund. A small portion of the program funding is state special revenue derived from annual meat establishment license fees.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2008-----					-----Fiscal 2009-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				130,724					133,299
Vacancy Savings				(34,380)					(34,483)
Inflation/Deflation				29,905					31,451
Fixed Costs				1,931					1,931
<b>Total Statewide Present Law Adjustments</b>				<b>\$128,180</b>					<b>\$132,198</b>
DP 1012 - Correct State Match for Federal Grant									
0.00	1,000	0	(1,000)	0	0.00	1	0	(1)	0
DP 6010 - Non-Statutory Statewide Personal Services Adj									
0.00	(1,084)	0	(1,084)	(2,168)	0.00	(1,084)	0	(1,084)	(2,168)
DP 6015 - State Motor Pool Rate Change									
0.00	(1,293)	0	(1,293)	(2,586)	0.00	(1,334)	0	(1,334)	(2,668)
<b>Total Other Present Law Adjustments</b>									
<b>0.00</b>	<b>(\$1,377)</b>	<b>\$0</b>	<b>(\$3,377)</b>	<b>(\$4,754)</b>	<b>0.00</b>	<b>(\$2,417)</b>	<b>\$0</b>	<b>(\$2,419)</b>	<b>(\$4,836)</b>
<b>Grand Total All Present Law Adjustments</b>				<b>\$123,426</b>					<b>\$127,362</b>

DP 1012 - Correct State Match for Federal Grant - The legislative budget adjusts the present law funding of the meat inspection program to reflect the dollar for dollar general fund match required by the federal grant in this division.

DP 6010 - Non-Statutory Statewide Personal Services Adj - The legislature excluded a portion of the statewide personal services adjustment proposed by the Governor. The amount excluded is approximately 2.2 percent of the total personal services (including vacancy savings) statewide present law adjustment that was proposed by the Governor.

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool was reduced from the level requested by the Governor.

### New Proposals

New Proposals										
-----Fiscal 2008-----						-----Fiscal 2009-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1010 - Meat Plant Inspector RST										
10	1.00	22,673	0	22,674	45,347	1.00	20,542	0	20,542	41,084
DP 1011 - FAIM Computer Maintenance Contract Rst/OTO										
10	0.00	3,261	0	3,261	6,522	0.00	3,261	0	3,261	6,522
DP 6013 - 2009 Biennium Pay Plan - BH 13										
10	0.00	14,778	0	15,445	30,223	0.00	33,470	0	34,851	68,321
DP 6014 - Retirement Employer Contributions - HB 63 & HB 131										
10	0.00	953	0	429	1,382	0.00	1,080	0	443	1,523
Total	1.00	\$41,665	\$0	\$41,809	\$83,474	1.00	\$58,353	\$0	\$59,097	\$117,450

DP 1010 - Meat Plant Inspector RST - The legislative budget includes a restricted appropriation for \$86,431 for the employment of an additional meat inspector during the 2009 biennium, if workload increases. This decision package is funded 50 percent from state general fund and 50 percent from federal meat inspection funds.

DP 1011 - FAIM Computer Maintenance Contract Rst/OTO - The legislature approved \$13,044 computer maintenance funds for computers purchased with a one-time-only appropriation in the 2007 biennium. This decision package is funded 50 percent from state general fund and 50 percent from federal meat inspection funds. The additional appropriation is restricted and one-time-only.

DP 6013 - 2009 Biennium Pay Plan - BH 13 - The legislature passed a pay plan (HB 13 of the 2007 regular session) that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in CY 2008 and an additional \$36 per month in CY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions - HB 63 & HB 131 - The legislature adopted HB 63 and HB 131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.